

Service Date: September 25, 1984

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

* * *

IN THE MATTER Of The Application)	
Of PACIFTCORP dba PACIFIC POWER &)	UTILITY DIVISION
LIGHT COMPANY For Authority To Issue)	DOCKET NO. 84.8.45
And Sell Not More Than 3,000,000)	DEFAULT ORDER NO. 5085
Shares Of Its Common Stock.)	

On August 27, 1984, PacifiCorp* dba Pacific Power & Light Company (Pacific), a corporation organized and existing under and by virtue of the laws of the State of Maine and qualified to transact business in Montana, filed with the Montana Public Service Commission its verified application, pursuant to Section 69-3-501 through 69-3-507 MCA, requesting an order authorizing Pacific to issue and sell not more than 3,000,000 shares of its Common Stock (new shares) of a par value of \$3.25.

The application is supported by exhibits and data in accordance with the rules and regulations of the Commission governing the authorization of the issuance of securities by electric and gas utility companies operating within Montana.

For detailed information with respect to the general character of Pacific's business and the territories served by it, reference is made to its annual reports on file with the Commission.

*On June 15, 1984, Pacific Power & Light Company officially changed its name to PacifiCorp. For its utility operations in all jurisdictions, PacifiCorp uses the assumed business name, Pacific Power & Light Company.

The application sets forth Counsel who will pass upon the legality of the proposed issuance, the other regulatory authorizations required, and the propriety of the proposed issue.

At a regular open session of the Montana Public Service Commission held in its offices at 2701 Prospect Avenue, Helena, Montana, on September 24, 1984, there came before the Commission for final action the matters and things in Docket No. 84. 8. 45, and the Commission, having fully considered the application and all the data and records pertaining to it on file with the Commission and being fully advised in the premises, makes the following:

FINDINGS

1. Pacific is a corporation organized and existing under and by virtue of the laws of the State of Maine and is qualified to transact business in the State of Montana.

2. Pacific is operating as a public utility as defined in Section 69-3-101, MCA, and is engaged in furnishing electric and water service in Montana.

3. The Commission has jurisdiction over the subject matter of the application under Section 69-3-102, MCA.

4. Notice of the application was published as a part of the Commission's regular weekly agenda.

5. Pacific proposes to issue and sell not more than 3,000,000 shares of its Common Stock. The offering and issuance are expected to occur on or about October 3, 1984 and October 11, 1984, respectively.

6. Pacific proposes to select a group or groups of managing underwriters who will organize a syndicate and to whom the new shares will be sold pursuant to one or more Underwriting Agreements. The underwriters will make a public offering of the new shares after a Registration Statement under the Securities Act of 1933 relating to the new shares is declared effective. The new shares will be listed on the New York Stock Exchange and the Pacific Stock Exchange.

7. Pacific estimates that the results of the issuance will be:

	<u>Total</u>	<u>Per Share</u>
Gross Proceeds	\$70,00,000	\$23.500
Less: Underwriters' Fee at approximately 4.0 percent	<u>2,320,000</u>	<u>0.940</u>
Proceeds Payable to Pacific	\$67,630,000	\$22.560
Less: Other Offering Expenses	<u>250,000</u>	<u>0.083</u>
Net Proceeds	<u>\$67,430,000</u>	<u>\$22.477</u>

8. Pacific believes that a total underwriters' commission or fee not exceeding 4.0 percent of the initial public offering price is not greater than the usual and customary compensation prevailing for similar transactions at this time and is reasonable given the cost of rendering the service.

9. Pacific intends to apply approximately \$57,550,000 of the proceeds of the Common Stock to a cancellation through a call for redemption or purchases on the open market of the 2,000,000 shares of its \$3.75 No Par Serial Preferred Stock (stated value \$25.00). If such shares are redeemed, approximately \$7,550,000 of the \$57,550,000 will be for payment of the redemption premium (\$3.75 per share) and related expenses. The remaining portion of the proceeds will be applied to redeem or purchase other shares of Pacific's Preferred Stock. The proceeds may be invested temporarily before being applied to their ultimate purpose.

The intended purposes of the proposed issuance and refunding are to reduce the annual cost of Pacific's senior securities, to strengthen the common equity portion of Pacific's capital structure, and to lower its annual revenue requirement. The use of the proceeds of the proposed issuance to retire the \$3.75 No Par Serial Preferred Stock should have these effects, assuming other factors remain constant. The impact of cancellation of other preferred shares will depend upon the series purchased.

10. The issuance of an order authorizing the proposed issuance does not constitute agency determination/approval of any financing-related ratemaking issues, which issues are expressly reserved until the appropriate proceeding.

CONCLUSIONS OF LAW

The proposed financing to which the application relates will be for lawful objects within the corporate purposes of Pacific. The method of financing is proper. The application should be approved.

IT IS THEREFORE ORDERED BY THE Commission that:

1. The application of PacifiCorp dba Pacific Power & Light Company, filed on August 27, 1984, for authority to issue and sell not more than 3,000,000 shares of its common stock pursuant to Sections 69-3-501 through 69-3-507, MCA, and to use the proceeds for normal utility purposes is approved.
2. PacifiCorp dba Pacific Power & Light Company shall file the following information as it becomes available:
 - a. A copy of the substantive closing documents (unless already on file with the Commission).
 - b. A copy of the SEC Registration Statement.
 - c. The "Report of Securities Issued" required by 18CFR34. 10.
 - d. A verified statement showing the disposition of the issuance proceeds in reasonable detail.
3. Issuance of this order does not constitute acceptance of the exhibits or other material accompanying the application of PacifiCorp dba Pacific Power & Light Company, for any purpose other than the issuance of this order.
4. Approval of the transactions authorized shall not be construed as precedent to prejudice any future action of this Commission.
5. Section 69-3-507, MCA, provides that neither the issuance of securities by PacifiCorp dba Pacific Power & Light Company, pursuant to the provisions of this order, nor any other act or deed done or performed in connection with the issuance, shall be construed to obligate the State of Montana to pay or guarantee in any manner whatsoever any security

authorized, issued, assumed, or guaranteed.

6. This order shall be effective upon execution.

DONE IN OPEN SESSION AT Helena, Montana, this 24th day of September, 1984, by a
5 to 0 vote.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION.

THOMAS J. SCHNEIDER, Chairman

JOHN B. DRISCOLL, Commissioner

HOWARD L. ELLIS, Commissioner

CLYDE JARVIS, Commissioner

DANNY OBERG, Commissioner

ATTEST:

Madeline L. Cottrill
Secretary

(SEAL)

NOTICE: Any interested party may request the Commission to reconsider this decision. A
motion to reconsider must be filed within ten (10) days. See 38.2.4806, ARM.